

AN ACT

relating to the use of municipal hotel occupancy tax revenue by certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Section 351.1054, Tax Code, is amended to read as follows:

Sec. 351.1054. ALLOCATION OF REVENUE: ELIGIBLE BARRIER ISLAND COASTAL MUNICIPALITY [~~FOR ECOLOGICAL TOURISM AND SPACECRAFT AND SPACEPORT ACTIVITIES BY CERTAIN MUNICIPALITIES~~].

SECTION 2. Sections 351.1054(b) and (c), Tax Code, are amended to read as follows:

(b) Notwithstanding any other provision of this chapter, an eligible barrier island coastal municipality may use revenue from the municipal hotel occupancy tax for:

(1) promotional and event expenses for an ecological tourism event, including an event for which the primary attraction is traveling to an area of natural or ecological interest for the purpose of observing and learning about wildlife and the area's natural environment, if:

(A) a majority of the event's participants are tourists; and

(B) the event substantially increases economic activity at hotels and motels within or in the vicinity of the municipality; [~~and~~]

1 (2) expenses directly related to:

2 (A) the acquisition of sites to observe
3 spacecraft and spaceport activities; and

4 (B) the construction, improvement, enlarging,
5 equipping, repairing, operation, and maintenance of facilities
6 utilized by hotel guests to observe and learn about spacecraft and
7 spaceport operations; and

8 (3) expenses directly related to the construction,
9 improvement, equipping, repairing, operation, and maintenance of
10 coastal sports facilities owned by the municipality, including boat
11 docks, boat ramps, and fishing piers used by hotel guests, if:

12 (A) the coastal sports facilities have been used
13 in the preceding calendar year a combined total of more than five
14 times for district, state, regional, or national sports tournaments
15 or events; and

16 (B) the majority of the events at the coastal
17 sports facilities are directly related to a sports tournament or
18 event in which the majority of participants are tourists who
19 substantially increase economic activity at hotels within or in the
20 vicinity of the municipality.

21 (c) A municipality may use for the purposes provided by
22 Subsections (b)(1), ~~and~~ (2), and (3) not more than the greater of:

23 (1) 15 percent of the hotel occupancy tax revenue
24 collected by the municipality; or

25 (2) the amount of tax received by the municipality at
26 the rate of one percent of the cost of a room.

27 SECTION 3. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 4029 was passed by the House on May 4, 2017, by the following vote: Yeas 139, Nays 4, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4029 on May 25, 2017, by the following vote: Yeas 128, Nays 12, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4029 was passed by the Senate, with amendments, on May 23, 2017, by the following vote: Yeas 26, Nays 5.

Secretary of the Senate

APPROVED: _____

Date

Governor